THIS INSTRUMENT PREPARED BY:
Gary J. Mitchell, Esquire
Langford, Switzer & King
2200 Hillsboro Rd., Suite 400
Nashville, Tennessee 37212

MASTER DEED ESTABLISHING CHARLTON SQUARE

THIS MASTER DEED, made as of the 26th day of December, 1984, by McMurtry Meadows, a Tennessee general partnership, hereinafter referred to as the "Owner", for itself, its successors, grantees and assigns.

W I T N E S S E T H:

WHEREAS, Owner is the legal title holder of certain real estate previously known as 2004, 2006 and 2008 Convent Place, Nashville, Tennessee; and

WHEREAS, Owner desires, for its own benefit and for the mutual benefit of all future owners of the above referenced real estate or any portion thereof together with all buildings, structures, improvements and other permanent fixtures of whatsoever nature thereon, and all rights and privileges belonging or in anywise appertaining thereto, to submit a portion of said property, said portion being more particularly described in Exhibit "A" attached hereto, and incorporated herein by reference, to the provisions of the Horizontal Property Act of the State of Tennessee.

NOW, THEREFORE, the Owner, as the legal title holder of the real estate herein described, declares as follows:

1. DEFINITIONS.

As used herein and in the By-Laws (attached hereto as Exhibit "B"):

(a) "Act" means the Horizontal Property Act of the State of Tennessee.

(b) "Assessment" means a share of the funds required for the payment of common expenses and charges which from time to time may be assessed against each Unit Owner.

(c) "Association" means the Charlton Square Homeowners Association, Inc., a Tennessee non-profit corporation, being the entity responsible for the operation of the Property, and its successors. (A copy of the By-Laws and the Charter of the Association are attached hereto and made a part hereof as Exhibit "B" and Exhibit "C" respectively.)

(d) "Board" means the Board of Directors of the Association.

(e) "Building" means one of the three (3) buildings located on the Parcel and forming part of the Property and containing the Units.

(f) "By-Laws" means the By-Laws of the Association, attached hereto as Exhibit "B" and made a part hereof, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Master Deed dealing with the administration and maintenance of the Property shall be deemed to be a part of the By-Laws.

(g) "Common Elements" means all of the Property except for the Units, and, without limiting the generality of the foregoing, shall include those items defined as "General Common Elements" in the Act, including the following:

(1) The Parcel;

(2) All foundations, load bearing walls, exterior walls, columns, roofs, girders, beams and supports;

(3) All gardens, plants, trees, yards and landscaping;

(4) All easements as provided in Paragraph 8 of this Master Deed;

(5) Pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit);

(6) All other elements of the Buildings desirable or rationally of common use or necessary to the existance, upkeep and safety of the regime established by this Master Deed;

(7) In general, all devices or installations existing for common use.

(h) "Common Expenses" mean the following:

(1) Expenses of administration of the Property;

(2) Expenses of maintenance, operation, repair, or replacement of the Common Elements, and of the Limited Common Elements as hereinafter provided;

(3) Expenses declared Common Expenses by provision of this Master Deed or by the By-Laws; and

(4) Any valid charges against the Property as a whole.

(i) "Limited Common Elements" mean all Common Elements contiguous to and serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Master Deed, on the Plat or by the Board. Said Limited Common Elements shall include such fixtures and equipment located within or adjacent to a Unit and serving only such Unit, pipes, ducts, electrical wiring and conduits, located entirely within a Unit or adjoining Units and serving only such Unit or Units, and any portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries.

(j) "Majority" or "Majority of the Unit Owners" means the owners of more than fifty percent (50%) of the undivided ownership of the Common Elements. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

(k) "Master Deed" means this Master Deed, by which the Property is submitted to the provisions of the Act, as hereinafter provided, as such Master Deed may be amended from time to time.

(l) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(m) "Owner" means McMurtry Meadows, a Tennessee general partnership, its successors and assigns, provided such successors or assigns are designated in writing by Owners as a successor or assignee of the rights of Owner set forth herein.

(n) "Parcel" means the parcel or tract of real estate, described in this Master Deed and in Exhibit "A", which is herein submitted to the provisions of the Act.

(o) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(p) "Plat" means the plat of survey of the Parcel of record, submitted to the provisions of the Act showing the number of each Unit, expressing its area, location and other data necessary for identification thereof, a copy of said Plat being made a part hereof as Exhibit "J" which is incorporated herein by reference.

(q) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

(r) "Record or Recording" refers to the record or recording in the office of the Register of Deeds in Davidson County, Tennessee.

(s) "Unit" shall mean the fee simple estate within a Building, as such area is identified, located and described on the Plat and as herein set forth.

(1) The boundaries of each Unit shall be as follows:

(i) The upper boundary shall be its highest ceiling;

(ii) The lower boundary shall be the upper unfinished surface of the lowest level floor in the Unit (i.e. that surface directly beneath the carpeting, hardwood floors or other floor covering, if any);

(iii) The vertical boundaries (measuring the horizontal area of a Unit) shall be the perimeter walls.

(2) Notwithstanding the definition of the boundaries of a Unit contained in subparagraph (1) above, in order to more precisely define the boundaries of a Unit, the following shall govern in determining whether an item is part of the Unit, a Limited Common Element, or a portion of the Common Elements:

(i) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, carpet, windows, exterior doors, finished flooring and any other materials constituting any part of the finished surfaces of the upper, lower and vertical boundaries, are part of the Unit, and all other portions of the walls, floors, or ceilings constituting part of such boundaries are a part of the Common Elements or Limited Common Elements.

(ii) If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially without the designated boundaries of a Unit, any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements or Limited Common Elements.

(iii) Subject to the provisions of the immediately preceding subparagraph (ii), all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are part of the Unit.

(iv) All air conditioning and heating equipment, patios, balconies, screens, and all other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

(t) "Unit Owner" means the person or persons holding title in fee simple to a Unit. No person or persons who hold an interest in a Unit solely for the purpose of securing an obligation shall be deemed to be a Unit Owner.

(u) "Utility Services" shall include, but not be limited to, water, sewer, gas and electricity required to operate the lights and other elements deemed to be Common Elements by this Master Deed, and other utility services provided the Property as a whole.

2. SUBMISSION TO CONDOMINIUM OWNERSHIP.

(a) The purpose of this Master Deed is to submit the Parcel hereinafter described in Exhibit "A", and the improvements constructed thereon, to the establishment of a horizontal property regime and condominium form of ownership and use, in the manner provided under the provisions of the Tennessee Code Annotated, §66-27-101, et seq., as ameneded (the "Act").

(b) The name by which this Property is to be identified is "Charlton Square".

(c) The Parcel was previously a part of the property known as 2004, 2006, 2008 Convent Place, Nashville, Tennessee. Each Unit herein created shall have the address provided on the Plat, attached hereto as Exhibit "J" and incorporated herein by reference.

(d) The Parcel, which is hereby submitted to the provisions of the Act, is fully described in Exhibit "A" hereto, which, by reference, is made a part hereof as fully as if copied herein. The improvements located on such Parcel include, but are not limited to, Three (3) buildings containing Twenty-Two (22) residential townhomes, paved parking areas, driveways, and landscaping improvements.

(e) The Plat, attached hereto as Exhibit "J" and incorporated herein by reference, sets forth the numbers, areas, locations and other data describing and identifying the separate Units, as required by the Act, which Plat is incorporated herein by reference.

(f) The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

3. OWNERSHIP OF COMMON ELEMENTS AND COMMON EXPENSE LIABLITY.

(a) Each Unit Owner shall own a share in the Common Elements, and shall be liable for payment of the percentage of Common Expenses equal to the percentage of the undivided interest in the Common Elements appertaining to each Unit as set forth in Exhibit "D" attached hereto and by reference incorporated herein; provided, however, that the Common Expenses incurred with respect to a Limited Common Element shall be paid by the owners of the Unit or Units to which such Limited Common Element was assigned at the time the expense was incurred as provided in Paragraph 6 of this Master Deed.

(b) Any conveyance of an individual Unit shall be deemed to also convey the undivided interest of the Unit Owner in the Common Elements and Limited Common Elements appertaining to such Unit even if such conveyance does not specifically refer to such undivided interest.

4. MAINTENANCE AND ALTERATION OF UNITS.

(a) The Association shall maintain, repair and replace the following with respect to Units:

(1) Any portions of a Unit which contribute to the support of the Building, which portions shall include, but not be limited to, load-bearing columns and loadbearing walls; provided, however, that the Unit Owner of any Unit which contains a basement/garage shall be responsible for the maintenance, repair and replacement of the load-bearing columns within the walls of said basement/garage, which work shall be performed by a qualified contractor who shall be approved by the Board prior to the commencement of any work thereon.

(2) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of Utility Services which are contained in the portions of a Unit maintained by the Association, and all such facilities contained within a Unit which service part or parts of the Building other than the Unit within which contained.

(b) The Association is hereby granted all necessary easements of access for maintenance and repair of Units as herein provided. All incidental damage caused to a Unit by such work shall be promptly repaired at the expense of the Association.

(c) The responsibilities of the Unit Owner with respect to maintenance of his Unit shall be:

(1) To clean, maintain, repair, and replace at his expense all portions of his Unit (except the portions to be cleaned, maintained, repaired, and replaced by the Association) including, but not limited to, all built-in features, carpets, wall finishings, all appliances, and all pipes, plumbing, fixtures, wires and conduits serving only his Unit;

(2) Not to make any changes, decorations or alterations of his Unit or any Limited Common Element allocated to his Unit that would affect the exterior appearance of any portion of the Building without the consent of the Board, except a patio floor surface which may be decorated by the Unit Owner pursuant to Rules and Regulations made by the Association. Unit Owners shall not enclose patios nor decorate the glass windows of their Units or otherwise change the appearance of the windows as viewed from

the exterior of the Unit without the consent of the Board, except for drapes or curtains which must comply with the Rules and Regulations adopted by the Association;

(3) To maintain the upper surface of any patio allocated to the Unit and to keep the entire patio in an orderly and clean condition;

(4) To promptly report in writing to the Association any defect or need for repairs, the responsibility for which is that of the Association; and

(5) To comply with the requirements set forth in Paragraph 15 of this Master Deed with respect to the removal or reconstruction of partition walls between adjacent Units to be used or previously used as a single Unit.

(d) An easement is granted to each Owner for the maintenance, repair and replacement of those items to be maintained by him which may be located outside his Unit.

(e) Except as reserved herein to the Owner, neither a Unit Owner nor the Association shall make any alteration in the portions of a Unit or the Property which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the Property, or impair any easement, without first obtaining approval in writing of the owners of all Units in which such work is to be done, and the written approval of the Board. A copy of plans for all of such work prepared by an architect, licensed to practice in this state, shall be filed with the Association prior to the start of the work, unless such requirement is waived in writing by the Board. The time of performance of such work must be approved in advance by the Board.

(f) If a Unit Owner fails to maintain and repair his Unit as required herein, the Association may perform such maintenance or repair and assess the Unit Owner for all expenses incurred, together with up to a twenty percent (20%) service charge for the Association's services. The authorized representative of the Association shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required to perform such maintenance and repair.

5. MAINTENANCE AND ALTERATION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

(a) The maintenance, operation and repair of the Common Elements shall be the responsibility and the expense of the Association.

(b) The maintenance, operation and repair of the Limited Common Elements shall be the responsibility of the Association. The expense of such maintenance, operation and repair shall be a Common Expense initially paid for by the Association but assessed back against the Unit Owners as provided in Paragraph 6 of this Master Deed, except as follows:

(1) Unit Owners shall have the responsibility and bear the expense of maintaining and repairing all air conditioning and heating equipment serving their Units, whether such equipment is located inside or outside their Units' boundaries.

(2) Unit Owners shall have the responsibility and bear the expense of maintenance, repair and replacement of all screens serving their Units.

(3) Unit Owners with balconies or patios shall maintain their balconies or patios in an orderly and clean condition. All structural repair or replacement of balconies or patios shall be the responsibility and expense of the Association.

(c) Unit Owners shall not make any changes, decorations or alterations of balconies, patios or any other Limited Common Element allocated to their Unit which would affect the exterior appearance of any portion of the Building without the consent of the Board.

(d) If a Unit Owner fails to maintain and repair any Limited Common Element allocated to his Unit as required herein, the Association may perform such maintenance or repair, and assess the Unit Owner for all expenses incurred, together with up to a twenty percent (20%) service charge for the Association's services. The authorized representative of the Association shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required to perform such maintenance and repair.

(e) Except as reserved herein by Owner, there shall be no alteration or further improvement of the Common Elements without prior approval in writing by the Owners of not less than two-thirds (2/3) of the votes of the Association, except as provided by the By-Laws, and any such alteration or improvement, if undertaken, shall not interfere with the rights of any mortgagee or Unit Owner. The shares of any cost of such alteration or improvement shall be assessed to the Unit Owners in accordance with their interest in the Common Elements. There shall be no change in the shares and rights of a Unit Owner in the Common Elements which are altered or further improved.

(f) Notwithstanding the provisions of the immediately preceeding Subparagraph (e), in the case of a partial taking of the Common Elements by eminent domain, the Board shall have the authority, in its sole discretion, to apply any condemnation award in any manner it deems appropriate, including the construction of any improvement, which improvement shall not require the consent of the Unit Owners.

(g) If, due to the act or neglect of a Unit Owner, or his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements, Limited Common Elements, or Unit owned by another, or maintenance, repair or replacement are required which would otherwise by a Common Expense, then such Unit Owner shall pay for such damage or such maintenance, repair or replacement as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance company.

6. ASSESSMENTS.

(a) Assessments against Unit Owners for Common Expenses shall be made pursuant to the By-Laws and shall be allocated as set forth in Paragraph 3 of this Master Deed. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element, however, shall be assessed in equal shares against the Units to which that Limited Common Element was assigned at the time the expense was incurred, except as otherwise provided in Paragraph 5 of this Master Deed.

(b) Assessments, and installments thereon, paid on or before fifteen (15) days after the date when due, shall not bear interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear interest at the rate of fifteen percent (15%) per annum or at such other rate of interest determined by the Association not to exceed the maximum rate allowed under applicable laws and shall be subject to a late charge of Fifteen Dollars ($15.00) or such other late charge amount as may be adopted by the Association. All payments upon account shall be first applied to late charges, then interest and then to the assessment payment first due.

(c) The Association shall have a lien for unpaid assessments as provided by this Master Deed. Such lien shall also secure reasonable attorney's fees and all costs incurred by the Association incident to the collection of such assessment or enforcement of such lien.

(d) In any foreclosure of a lien for assessments, the Unit Owner of the Unit subject to the lien shall be required to pay a reasonable rental for the Unit after foreclosure proceedings are commenced, and the Association shall be entitled to the appointment of a receiver to collect such rental.

(e) The Unit Owner and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance, but without prejudice to the rights of the grantees to recover from the grantor the amounts paid by the grantee for delinquent assessments. Such liability may not be avoided by a waiver of the use of any Common Element or by the abandonment of the Unit. The Association shall have the right to sue for and collect any such unpaid assessments, to foreclose upon the lien securing the assessments or to institute any other competent proceeding. In any event, the Association shall be entitled to recover all delinquent payments, together with late charges, interest, and all costs of collection, including reasonable attorneys' fees.

(f) A purchaser of a Unit at a foreclosure sale upon a first deed of trust shall be liable only for assessments coming due after such sale and for the portion of due assessments prorated for the period after the date of such sale.

7. POWER OF SALE TO ENFORCE ASSESSMENT LIEN.

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the Limited Common Elements, the assumption of the obligations of Unit Owners set forth in this Master Deed by transferees as required hereunder, the receipt of which is hereby acknowledged, and to secure the payment of assessments for Common Expenses, and other assessments, assessed against a Unit Owner by the Association as provided in this Master Deed and By-Laws, interest, late charges, attorneys' fees and other costs of collection as provided herein, hereinafter collectively referred to as the "Secured Charges," a lien is expressly retained in favor of the Association on each and every Unit Owner's Unit and prorata interest in the Common Elements.

(b) For the purpose of better and more effectually securing the Secured Charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of the Secured Charges, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Unit Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto Gary J. Mitchell, Trustee, his successors and assigns, their respective Units with the appurtenances, estate, title and interest thereto belonging upon the uses and trusts set forth in this Paragraph 7.

(c) Trustors agree (i) to pay the Secured Charges when due, as provivded in this Master Deed; (ii) to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against their Unit and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to keep

their respective Units in good repair and preservation; (iv) to comply with all of the terms and conditions of this Master Deed, the By-Laws and all Rules and Regulations of the Association; and (v) to pay upon demand of Trustee or the Association, all the costs and expenses, together with reasonable attorneys' fees, of any court appearance or other proceedings required by Trustee, his successors or the Association to enforce any provision of this Master Deed and By-Laws or any Rule and Regulation of the Association. If any Trustor fails to do any of these things, then Trustee or the Association may do any or all of these things, and the amounts so paid shall bear interest at the highest rate allowed under applicable laws in effect from time to time from the date of payment and shall become a part of the Secured Charges secured hereby.

(d) If a Trustor shall pay the Secured Charges when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the Secured Charges with respect to any Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days notice by three (3) publications in any newspaper, daily or weekly, published in Davidson County, Tennessee, to sell said Unit at the front door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, the statutory right of redemption, homestead, dower, statutory or elective rights and all other exemptions of every kind, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any of the Secured Charges, enter and take possession of said property, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Unit,

as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all taxes which may be unpaid with respect to such Unit;

(3) Third, to the payment of all unpaid Secured Charges with respect to such Unit;

(4) Fourth, the residue, if any, will be paid to the Unit Owner of such Unit, his order, representatives or assigns;

(e) In the case of the death, absence, inablity, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the Association is hereby authorized and empowered to name and appoint a successor to the Trustee by an instrument in writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

8. EASEMENTS.

Easements are hereby granted as follows:

(a) The following easements are granted to the Association for the following purposes:

(1) Easements through or over the Units and any Limited Common Element allocated to any Unit for conduits, ducts,

plumbing, wiring and other facilities for the furnishing or repair of utility service to Units, Limited Common Elements or Common Elements;

(2) Easements through or over the Units and any Limited Common Element allocated to any unit for the purpose of maintaining or repairing any portion of the Common Elements, Limited Common Elements or any Unit. All incidental damage caused to a Unit by such maintenance or repair work shall be promptly repaired at the expense of the Association;

(3) Easements of support in every portion of a Unit which contributes to the support of the Building, including easements for access to and repair of such elements of support;

(4) Easements for encroachments of any portion of the Common Elements upon the boundary of any Unit whether caused by the settlement of the Building or by minor inaccuracies in the Plat, or rebuilding of any part of the Building, whether such encroachments now exist or hereafter may exist. All such easements shall continue until such encroachments shall cease to exist.

(b) As an appurtenance to each Unit, easements are granted to the Unit Owners for encroachments by any portion of the boundaries of each Unit upon the Common Elements, whether caused by the settlement of the Building or by minor inaccuracies in the Plat, or rebuilding of any part of the Building, whether such encroachments now exist or hereafter may exist. All such easements shall continue until such encroachments shall cease to exist.

(c) Easements are reserved to Owner, its agents and invitees to the extent necessary, as determined by Owner, to enable Owner to carry on any sale or leasing activity, as more specifically provided for in Paragraph 16 of this Master Deed.

9. RIGHTS OF MORTGAGE HOLDERS IN RELATION TO ASSESSMENTS.

(a) The liens as herein set out for the enforcement of assessments shall in all respects be subordinate to first mortgage liens on the individual Units.

(b) The holder of a first mortgage, upon request, shall be notified by the Association in writing of any default by the mortgagor of a Unit in the performance of such mortgagor's obligations under the terms of the Master Deed or By-Laws which is not cured within sixty (60) days.

(c) A first mortgagee who obtains title to a Unit by reason of foreclosure of a mortgage covering a Unit, or by a deed in lieu of foreclosure, shall take the Unit free of any claims for unpaid assessments or charges against the Unit which accrue prior to the time such mortgagee comes into possession of the Unit. The preceding sentence shall not be construed to prevent the Association from filing liens for such assessments and enforcing them against the prior Unit Owner as provided by law.

10. ASSOCIATION. The operation of the property shall be by Charlton Square Homeowner's Association, Inc., herein called the Association, a nonprofit corporation under the laws of Tennessee, which shall be organized and shall fulfill its functions pursuant to the following provisions:

(a) The members of the Association shall be the Unit Owners.

(b) The By-Laws of the Association shall be those attached hereto as Exhibit "B".

(c) The Association shall be incorporated under the Charter attached hereto as Exhibit "C".

(d) The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to a Unit.

(e) Whenever the decision of a Unit Owner is required under any matter, whether or not the subject of an Association

meeting, such decision shall be expressed by the same person who would cast the vote of such Unit Owner if in an Association meeting, unless the joinder of the record Owner of the Unit is specifically required by this Master Deed.

11. INSURANCE.

(a) The Association shall maintain the following insurance coverage:

(1) Multi-peril, all risk type, fire and extended coverage insurance covering the entire property, all improvements upon the Land, all Buildings, all additions and extensions attached thereto, all appliances, fixtures, machinery and equipment constituting a part of the Buildings, all personal property included in the Common Elements and Limited Common Elements, excluding, however, all improvements and additions to Units made by Unit Owners after the creation of the regime and personal property contents of the Unit. The multi-peril, all risk type policy purchased by the Association shall provide insurance on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy. The face amount of such policy or policies shall not be less than one hundred percent (100%) of the insurable value (based upon replacement cost) of the property required to be covered by this paragraph. Such policy shall contain an agreed value endorsement. Such insurance coverages may exclude foundation and excavation costs, but shall afford protection against loss or damage as is commonly covered by a multi-peril all risk type policy with fire and extended coverage endorsement, and such other risks as are customarily covered with respect to buildings similar to the Charlton Square Buildings. The multi-peril, all risk type insurance policy shall be purchased by the Association for the use and benefit of individual Unit Owners and their mortgagees. The Association shall issue certificates of insurance to each Unit

Owner showing and describing the insurance coverage for the interest of each such Unit Owner, and shall develop procedures for the issuance, upon request, of a certified copy of the policy together with standard mortgagee endorsement clauses to the mortgagees of Unit Owners. Such policy shall waive rights of subrogation as between Unit Owners. To the extent that such Unit Owners are covered by such multi-peril, all risk type insurance policies purchased by the Association, or themselves, they shall not be liable for damage to the Common Elements, Limited Common Elements, or any Unit.

(2) Public liability insurance shall be secured in such amounts, and with such coverage, as shall be determined by the Board, but such policy or policies shall be in an amount not less than One Million Dollars ($1,000,000.00) per occurrence, including, but not limited to, hired automobile and non-owned automobile, with cross-liability endorsement to cover liabilities of the Unit Owners as a group to individual Unit Owners;

(3) Workman's compensation if required by law;

(4) Directors and officer liability insurance in an amount determined by the Board, but not less than $250,000 per occurrence; and

(5) Such other insurance as the Association shall determine from time to time to be desirable and in the best interest of Unit Owners;

(b) The Association shall give Owner thirty (30) days notice prior to making any change in the carrier, type of coverage, or policy limits of any insurance policy maintained by the Association. Any change which has the effect of decreasing the type or amount of insurance required under the terms of this Master Deed, or which lowers the rating required of an insurance carrier, shall require prior approval in writing of seventy-five percent (75%) of the votes of the Association and fifty-one percent (51%) of the first mortgagees (based upon one vote for each Unit upon which a mortgage is owned).

(c) All policies of insurance shall show the named insured, in form and substance, similar to the following:

"Charlton Square Homeowner's Association, Inc., for use and benefit of the individual Unit Owners." Such policy shall contain, or have issued in connection therewith, a loss payable clause which shall provide that any proceeds due shall be paid to the Insurance Trustee, as hereinafter defined, subject to the provisions of this Master Deed for the use and benefit of the mortgagees of individual Units, if any, and Unit Owners as their interests may appear.

(d) All hazard insurance policies shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of B-VI or beter.

(e) Premiums upon insurance policies purchased by the Association shall be paid by the Association and the costs thereof included in the Common Expenses.

(f) The Association is hereby irrevocably appointed agent for each Unit Owner to purchase insurance as described and set forth in (a), (1), (2), (3), (4), (5) and (6) above and to adjust all claims arising under insurance policies purchased by the Association with the consent of mortgagees holding liens on the affected property and with the consent of such mortgagees to execute and deliver releases upon the payment of claims. However all insurance drafts, notices, policies, invoices, and other necessary documents shall be delivered, after settlement, directly to the affected mortgagee or its servicer.

12. RESPONSIBILITES OF INSURANCE TRUSTEE.

(a) All insurance policies purchased by the Association shall provide that proceeds covering property losses shall be paid to any bank in Tennessee which is selected by the Association as a Trustee, which bank is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of policies, or for the failure to collect any insurance proceeds.

(b) The duty of the Insurance Trusteee shall be to receive such proceeds as are paid, and to hold them in trust for the benefit of the mortgagees of individual Units, if any, and Unit Owners as their interests may appear. An undivided share of such proceeds on account of damage to Common Elements shall be allocated to the Unit Owners according to their ownership interest in the Common Elements as set forth in Paragraph 3. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the named mortgagees and the Unit Owner as their respective interests may appear.

(c) Expenses and fees of the Insurance Trustee shall be paid by the Association and costs thereof included in the Common Expenses.

(d) Proceeds of insurance policies received by the Insurance Trustee shall be distributed as follows:

(1) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be expended as provided in Paragraph 14. Any proceeds remaining after payment of repair or reconstruction expenses shall be distributed to the beneficial owners, with remittances to Unit Owners and mortgagees of individual units being payable jointly to them. This is a covenant for the benefit of any mortgagee of an individual Unit and may be enforced by such mortgagee.

(2) If it is determined, as provided in Paragraph 14, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the mortgages of individual Units, if any, and Unit Owners as their interests may appear. This is a covenant for the beneift of any mortgagee and may be enforced by such mortgagee.

(3) In making distributions to Unit Owners and mortgagees, the Insurance Trustee shall rely upon a certificate executed (i) by the Association as to the names of the Unit Owners, and (ii) by each of the mortgagees as to their respective shares of the distribution.

13. WHEN DAMAGED PROPERTY IS TO BE RECONSTRUCTED OR REPAIRED.

(a) If Common Elements are damage, they shall be reconstructed or repaired, unless it is determined under Paragraph 23 that the regime shall be terminated.

(b) If the damaged property is the Buildings, and if Units with more than one-third (1/3) of the Common Elements appurtenant thereto are found by the Board to be tenantable, the damaged property shall be reconstructed or repaired, unless, within sixty (60) days after the casualty, it is determined under Paragraph 23 that the regime shall be terminated.

(c) If the damaged property is the Buildings, and if Units with more than two-thirds (2/3) of the Common Elements appurtenant thereto are found by the Board not to be tenantable, the damaged property will not be reconstructed or repaired and the regime will be terminated under Paragraph 23, unless, within sixty (60) days after the casualty, the Owners of Units with three-fourths (3/4) of the Common Elements appurtenant thereto agree in writing to such reconstruction or repair.

(d) Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings, or if not, then according to plans and specifications approved by the Board, and by the Owners of Units with three-fourths (3/4) of the Common Elements appurtenant thereto, including the Owners of all damaged Units, which approval shall not be unreasonably withheld.

14. RESPONSIBILITIES AND PROCEDURES AS TO PAYMENT FOR REPAIRS.

(a) If damage occurs to those parts of a Unit or Limited Common Element that the Unit Owner has the responsibility of maintaining and repairing, then the Unit Owner shall be responsible for the prompt reconstruction and repair of such damage after the casualty. In all other instances, the Association shall have the responsibility of reconstruction and repair. In the event the Unit Owner fails to make such repairs or reconstruction promptly, the Association reserves the right to make such repairs and to assess the Unit Owner for all expenses, together with a service fee of up to twenty percent (20%) of such expenses for the Association's services. The authorized representative of the Association shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required to perform such reconstruction and repair.

(b) Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair the damaged property to a condition as good as that existing immediately before the casualty.

(c) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, the

amount of the deficiency shall be assessed against the party who is responsible for the cost of maintenance and repair pursuant to the terms of this Master Deed. Additional assessments may be made at any time during or following the completion of construction.

(d) If the amount of the estimated costs of reconstruction and repair for which the Association is responsible is more than Thirty Thousand Dollars ($30,000.00) in excess of the amount of insurance proceeds available for such reconstruction or repair, the assessments paid to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse them in payments of the costs of reconstruction and repair.

(e) The proceeds from assessments and insurance received by the Insurance Trustee shall be disbursed as follows:

(1) The portion of insurance proceeds for damage which is the responsibility of the Unit Owner to repair or reconstruct shall be paid by the Insurance Trustee to the Unit Owner for such repair or reconstruction, or if there is a mortgagee endorsement, then to the Owner and the mortgagee jointly;

(2) The portion of insurance proceeds for damage which is the responsibility of the Association to repair or reconstruct shall be disbursed in payment of the costs of such repair and reconstruction in the manner required by the Board.

15. USE RESTRICTIONS.

The use of the Property shall be in accordance with the following provisions:

(a) Each of the Units shall be occupied only by a family, individual or guests, as a residence, and for no other purpose. No Units may be rented on a daily or weekly basis.

(b) No Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred.

(c) Two or more adjoining Units may be used as a single Unit subject to the use restrictons of this Paragraph 15. The Common Elements located between and separating two or more adjacent Units used together may be altered or removed to afford ingress and egress to and from such Units to enhance the use of such Units as a single Unit. The Unit Owner's right to use this portion of the Common Elements shall be pursuant to a license agreement with the Association subject to the following conditions:

(1) The expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alterations;

(2) In the event such Units shall cease to be used as a single Unit, the Unit Owner or Owners shall pay the full expense of restoring such Common Elements to their condition prior to such alterations; and

(3) The Unit Owner must comply with the requirements of Paragraph 4, subparagraph (e) of this Master Deed for the construction or removal of the Common Elements separating such Units.

(d) The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

(e) No use or practice shall be permitted on the Property which is the source of annoyance to residents, or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his

Unit, or of the Common Elements, which will increase the rate of insurance upon the Property. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification, or repair of the Property shall be the responsibility of the person or entity responsible for the maintenance and repair of the property concerned.

(f) Reasonable rules and regulations concerning the use of the Property may be made and amended from time to time by the Association in the manner provided by its Charter and By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Property upon request.

16. OWNER'S UNITS AND PRIVILEGES.

(a) Owner is irrevocably empowered, nothwithstanding anything herein to the contrary, to sell, lease, or rent Units to any person approved by it. Owner shall have the right to transact, on the Property, any business deemed necessary by Owner to consummate the sale, lease, or resale of Units, including, but not limited to, the right to post signs, to reserve parking spaces for prospective purchasers, to maintain model Units and sales offices, to use the Common Elements and to show Units. Signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of Owner.

(b) As long as any Unit belonging to Owner remains unsold, neither the Unit Owners, nor the Association, nor the use of the Property, shall interfere with the sale of Units, and, so long as there are unsold Units, the Owner shall own such Units under the same terms and conditions as other Unit Owners, save for the right to sell, rent or lease as contained in this paragraph, including the privilege to vote and the duty to pay assessments on the Units so held.

17. MORTGAGING OF UNITS.

No Unit Owner may mortgage his Unit or any interest therein without the approval of the Association, except to Owner, a bank, a real estate investment trust, life insurance company, or a federal or state savings and loan association, or the Tennessee Housing Development Agency, or any other entity of the State of Tennessee or of the United States qualified to make mortgage loans on condominiums. Additionally, any individual Unit Owner may retain a vendor's lien, whether such be by mortgage, deed of trust, or installment deed, upon the sale of a Unit by such Unit Owner to a subsequent purchaser. The approval of any other mortgagee shall be subject to conditions determined by the Association.

18. NOTICE OF MORTGAGE LIEN OR SUIT.

(a) A Unit Owner shall give notice to the Association of every lien upon his Unit, other than for taxes and special assessments, within ten (10) days after the attaching of the lien.

(b) Notice shall be given to the Association of every suit or other proceeding which may affect the title to a Unit within five (5) days after the Unit Owner receives knowledge thereof.

(c) Failure to comply with this Paragraph 18 will not affect the validity of any mortgage instrument or the enforcement thereof at any public or judicial sale.

19. COMPLIANCE, DEFAULT AND REMEDIES.

Each Unit Owner shall be governed by, and shall comply with, the terms of this Master Deed, the Charter, By-Laws, and Rules and Regulations adopted pursuant thereto, as any of the same may be amended from time to time. In addition to the remedies provided by the Act, a default by a Unit Owner shall entitle the Association, acting through the Board, to the following relief:

(a) Additional Liability. A Unit Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or

by that of any member of his family, or his or their guests, employees, agents, or lessess, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit, or its appurtenances.

(b) Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

(c) No Waiver of Rights. Failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Master Deed, the Charter, the By-Laws, or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter. All rights, remedies and privileges granted to the Association or any Unit Owner pursuant to the terms of the Act, this Master Deed, the By-Laws or Rules and Regulations of the Association shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising such other privileges as may be granted to such party by the Act, the Master Deed, the By-Laws and Rules and Regulations of the Association, or at law or equity.

(d) Abating and Enjoining Violations. The violation of any restriction, condition or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board or its Managing Agent the right, in addition to any other rights provided for in this Master Deed:

(1) to enter (either peaceably or forceably without liability to such Unit Owner for such entry) upon the Unit, or any portion of the Property upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the

intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or

(2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or

(3) to take possession (either peaceably or forceably without liability to such Unit Onwer for such entry) of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

(e) Legal Proceedings. Any violation by any Unit Owner (or other occupant of the Unit) of the provisions of the Act, this Master Deed, the By-Laws, or the Rules and Regulations adopted pursuant thereto, shall be grounds for relief, and the Association (or its successors or assigns) shall have all of the rights and remedies which may be provided by the Act, this Master Deed, the By-Laws or said Rules and Regulations, or which may be available at law or equity, including, but not limited to, an action for money damages, injunctive relief, specific performance, foreclosure of the lien for payment of all assessments, or sale of the Unit pursuant to subparagraph (f) hereof. All expenses of the Association incurred in connection with any such actions or proceedings, including court costs, attorney's fees, all damages, liquidated or otherwise, and interest thereon at the highest rate allowed by applicable law, shall be assessed against such defaulting Unit Owner and shall be deemed part of his respective share on the Common Expenses. The Association shall have a lien for all of the same upon the Unit and its appurtenant interest in the Common Elements, upon all of the Unit Owner's additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property. Such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the Unit. In the event of any such default by a Unit Owner, the Board and the

Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose. All expenses incurred in connection therewith shall be charged to and assessed against such defaulting Unit Owner.

(f) Judicial Sale. If any violation by a Unit Owner (or other occupant of a Unit) of the Act, or any covenants, restrictions or provisions of this Master Deed, the By-Laws, or the Rules and Regulations adopted by the Board continues or occurs repeatedly for any ten (10) day period after notice to the Unit Owner in writing of such violation from the Board, the Board shall have the power to terminate such Unit Owner's rights as a Unit Owner. The Board shall issue a written notice to such defaulting Unit Owner terminating his right to continue to occupy, use or control his Unit. Thereafter, the Board shall file an action seeking a decree terminating such Unit Owner's right to occupy, use or control his Unit, and ordering that all right, title and interest of such defaulting Unit Owner in his Unit and in the Common Elements be sold at a judicial sale. The judicial sale shall be held upon such notice and terms as the Court shall determine, except that the court shall enjoin the defaulting Unit Owner from reacquiring his interest at the sale. Such judicial sale shall be subject to the lien of any existing deed of trust or mortgage. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorney's fees and all other expenses and costs of the proceeding and sale, and all such items shall be taxed against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition

of any such sale, and the decree shall so provide, that the purchaser shall take the interest in such Unit and the Common Elements subject to this Master Deed.

(g) Sale for Non-payment of Assessments. Notwithstanding any term or provision of this Paragraph 19, the Association shall obtain the written consent of a majority of the votes of the members of the Association prior to the Association's exercise of any of the remedies provided in this Paragraph 19 to terminate the rights of any Unit Owner to occupy, use or control the Unit owned by him, except that in the case of the sale of a Unit for non-payment of assessments no such consent shall be required.

20. LEASE AND TRANSFER OF A UNIT; NOTICE TO ASSOCIATION.

(a) Leases. All leases shall be in writing and shall be for a term of not less than one month. A copy of every lease of a Unit shall be furnished to the Board prior to occupancy by the tenant. Every such lease shall provide that the lessee shall be bound by and subject to the Rules and Regulations of the Association. A copy of the Rules and Regulations shall be attached to each lease and shall be delivered by the Unit Owner to the lessee. The Unit Owner making such lease shall not be relieved thereby from any of his obligations under this Master Deed. The Board shall have all the authority, in its sole discretion, to require at any time that any Unit Owner who is leasing his Unit, place on deposit with the Board such reasonable sums as the Board may require to be used as an indemnity against loss or damage to the Common Elements which might be caused by such Unit Owner's lessee. The terms of the indemnity shall be such terms as are satisfactory to the Board. The Board shall furnish the Unit Owner a notice in writing which shall constitute that Unit Owner's notice to make such deposit. In the event the Unit Owner fails to comply with the terms of the notice within ten (10) days from the date the notice is mailed to him, the Board at its option may elect to terminate

the subject lease. The Board shall give the Unit Owner and his lessee notice of such election in writing. Within ten (10) days after said notice is placed in the United States mail addressed to Unit Owner's last known address, or within ten (10) days after a written notice of such election is delivered to the residence of the lessee, whichever shall last occur, lessee shall forthwith and immediately vacate the subject Unit and the Unit Owner shall take such further action as may be necessary to insure that said lessee vacates said Unit.

(b) Notice of Transfer of Unit. Whenever a Unit Owner shall sell, give or otherwise transfer his Unit, or any interest therein, such Unit Owner shall give the Association written notice within thirty (30) days (before or after closing) of the transfer, which notice shall briefly describe the transfer and shall state the name and address of the transferee.

(c) Miscellaneous.

(1) A transfer or lease of a Unit, or any interest therein, by or to the Board, Owner, or the holder of a deed of trust or mortgage on a Unit which comes into possession of the mortgaged Unit pursuant to remedies provided in such deed of trust or mortgage, or pursuant to foreclosure of such deed of trust or mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such deed of trust or mortgage, shall not be subject to the provisions of this Paragraph 20.

(2) All notices referred to or required under this Paragraph 20 shall be given in writing by certified mail return receipt requested, or by personal service.

(3) The Board may adopt Rules and Regulations, from time to time, not inconsistent with the provisions of this Paragraph 20, for the purpose of implementing and effectuating said provisions.

(4) If any transfer or lease of a Unit is made or attempted without complying with the provisions of this Paragraph 20, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Association under this Master Deed and otherwise.

21. ASSOCIATION'S RIGHT TO PURCHASE AT A FORECLOSURE SALE.

(a) The Board shall have the power and authority to purchase, on behalf of the Association, any Unit, or interest therein, at a sale pursuant to this Master Deed, a mortgage foreclosure, a foreclosure of the lien for Common Expenses, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements.

(b) The Board shall have authority to make special assessments proportionally among the respective Unit Owners, and such other financing arrangements as the Board may deem desirable, in order to close and consummate the purchase of a Unit by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in property other than the Unit to be purchased and such Unit's appurtenant interest in the Common Elements.

(c) The Association shall hold or lease any Unit, pursuant to the terms hereof, in the name of the Association, or a nominee thereof delegated by the Board, for the benefit of all Unit Owners. The Board shall have authority at any time to sell, lease or sublease said Unit on behalf of the Association upon such terms as the Board shall deem desirable, but in no event shall a Unit be sold for less than the amount paid by the Association to purchase the Unit unless Unit Owners owning not less than seventy-five percent (75%) of the Common Elements first authorize the sale for such lesser amount.

22. AMENDMENTS.

This Master Deed may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board or by the members of the Association. Directors and members not present in person or by proxy at the meetings in which the amendment is considered may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Such approval must be by sixty-six and two-thirds percent (66-2/3%) of the votes of the entire membership of the Association. Until the first election of Directors, any amendment must be approved by the initial Board of Directors.

(c) No amendment shall discriminate against any Unit Owner, or against any Unit or class or group of Units, unless the Unit Owners so affected shall consent. No amendment shall change any Unit, nor the share of the Common Elements appurtenant to it, nor increase the Unit Owner's share of the Common Expenses, unless such Unit Owner and all record holders of liens thereon, shall join in the execution of the amendment, and the provisions of Paragraph 25 are followed.

(d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Office of the Register of Deeds of Davidson County, Tennessee.

23. TERMINATION.

The regime may be terminated as follows:

(a) In the event it is determined under Paragraph 13(c) that the damaged property shall not be reconstructed because of substantial loss in acordance with T.C.A. §66-27-118 as amended, the regime shall be terminated.

(b) The regime may be terminated at any time after obtaining the prior approval in writing of all Unit Owners, and by all record owners of liens thereon in accordance with T.C.A. §66-27-109.

(c) The termination of the regime shall be evidenced by a deed in compliance with T.C.A. §66-27-109, certifying the facts effecting the termination, which deed shall become effective upon being recorded in the Register's Office of Davidson County, Tennessee.

24. APPROVAL RIGHTS OF MORTGAGEES.

Unless at least sixty-six and two-thirds percent (66-2/3%) of the first mortgagees (based upon one vote for each Unit upon which a mortgage is owned), or Unit Owners (other than Owner) of the Units have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon or terminate the regime project except as provided by T.C.A. §66-27-118, as amended, in case of substantial loss to the Units and the Common Elements of the Property;

(b) Change the pro rata interest or obligations of any Unit for the purpose of:

(1) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(2) Determining the pro rata share of ownership of each Unit in the Common Elements;

(c) Partition or subdivide any Unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the regime shall not be deemed a transfer within the meaning of this clause);

(e) Use hazard insurance proceeds for losses to the Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Property, except as provided by statute in case of substantial loss to the Units and/or Common Elements of the Property.

25. FURTHER ASSURANCES FOR FIRST MORTGAGEES.

Notwithstanding anything to the contrary contained in this Master Deed or in the By-Laws of the Association, all terms, conditions, regulations and requirements which are now existing, or which may be amended from time to time by the Federal Home Loan Mortgage Corporation, the Veteran's Administration and the Federal Housing Administration pertaining to condominiums, are hereby incorporated as terms and conditions of this Master Deed and By-Laws and such shall be governing upon the Property, Owner, and the Association so long as such terms or conditions are neither inconsistent with the Laws of the State of Tennessee as found in Tennessee Code Annotated §66-27-101, et seq., as amended, nor deprive any Unit Owner of vested property rights secured by the Laws of the State of Tennessee. Specifically, without limitation of the foregoing, and in addition to all other rights as may be provided herein or in the Act, the following provisions shall be complied with regarding the Property:

(a) Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or deed of trust, or upon foreclosure of the mortgage or deed of trust or upon receiving a deed (or assignment) in lieu of foreclosure will be exempt from the provisions of Paragraph 20 relating to the rights of the Association upon transfer of a Unit. Specifically, and without limitation of the foregoing provisions of this Subparagraph (a), the Master Deed, the attached By-Laws, or any other of the Property's constituent documents shall not impair the rights of a first mortgagee to:

(1) Foreclose or take title to a Unit pursuant to the remedies provided in the mortgage, or

(2) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or

(3) Sell or lease a Unit acquired by the mortgagee.

(b) First mortgagees shall have the right to examine the books, records and financial statements of the

Association, as well as the By-Laws and other Rules and Regulations concerning the Property at reasonable times and upon reasonable notice.

(c) First mortgagees shall have the right, upon written request, to receive a financial statement from the Association for the immediately preceding fiscal year.

(d) Assessments shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis and shall be payable in regular installments rather than by special Assessments.

(e) No interpretation shall be given to this Master Deed or any of the other Property's constituent documents which would give a Unit Owner, or any other party, priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

(f) Any agreement for professional management of the Property, or any other contract providing for services by the Owner may not have a term greater than three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

(g) The Association, upon receiving notification of the existence of a first mortgage on any particular Unit, shall provide notice in writing to such mortgagee, or to such other entity as such mortgagee may direct, of any loss to, or taking of, the Common Elements of the Property if such loss or taking exceeds the market value of any one Unit, or damage to a Unit covered by such mortgage if such loss or taking exceeds ten percent (10%) of the market value of any one Unit.

(h) First mortgagees shall have the right, upon written request, to receive notice from the Association of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(i) First mortgagees shall also have the right, upon written request, to receive written notice from the Association of any proposed action which requires the consent of a specified percentage of mortgage holders.

26. PARTIAL TAKING OF COMMON ELEMENTS BY EMINENT DOMAIN.

If part of the Common Elements is taken by eminent domain, the portion of the condemnation award attributable to the Common Elements taken shall be paid to the Association.

27. NON-LIABILITY OF THE OWNER, DIRECTORS AND OFFICERS OF THE ASSOCIATION. Neither Owner nor directors and officers of the Association shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Owner, director or officer, except for any acts or omissions found by a Court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, officers, or Owner, and their respective heirs, executors, administrators, successors and assigns, in accordance with the provisions of Paragraph 8 of the By-Laws.

28. SERVICE CONTRACTS.

Owner shall assign and the Association shall assume certain service contracts designated by Owner dealing with the maintenance and operation of the Property. These contracts may include, but not be limited to, lawn care, cable television service and garbage disposal.

29. FORM OF DEED.

The form of deed, which will be used to convey Units to the Unit Owners under the terms of this Master Deed, shall be substantially in accordance with the form which is attached hereto as Exhibit "E", which by reference is made a part hereof, as fully as if copied herein.

30. SEVERABILITY.

The invalidity in whole or in part of any covenant or restriction, or any paragraph, subparagraph, sentence, clause, phrase, or word, or other provision of this Master Deed and the Charter, By-Laws, and Rules and Regulations of the Association shall not affect the validity of the remaining portions thereof.

31. ACKNOWLEDGEMENT.

For the purpose of compliance with the requirements of the Department of Codes Administration of the Metropolitan Government of Nashville and Davidson County, Tennessee, it is hereby acknowledged that each Unit is equipped with an individual water control valve.

IN WITNESS WHEREOF, McMurtry Meadows, a Tennessee general partnership, as Owner of the real estate herein described has executed this Master Deed as of the 26th day of December, 1984.

McMURTRY MEADOWS, a Tennessee
General Partnership

BY: Gaylor E. Cole
GAYLOR E. COLE, Partner

BY:
C. W. TIDWELL, Partner

BY:
ROBERT B. JONES, Partner

BY: James B. Hardy
JAMES B. HARDY, Partner

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, Kenneth M. Switzer, a Notary Public in and for the County and State aforesaid, personally appeared Gaylor E. Cole, Robert B. Jones, C. W. Tidwell and James B. Hardy, with whom I am personally acquainted, and who upon oath acknowledged themselves to be all of the general partners of McMurtry Meadows, the within named bargainor, and that they as such partners, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by themselves as general partners.

Witness my hand and seal, at office in Nashville, Tennessee this the 26th day of December, 1984.

Kenneth M. Switzer
NOTARY PUBLIC

My Commission Expires: 4/21/85

(For recording purposes, only Exhibits "A", "B", "D" and "J" are attached.)

EXHIBIT A TO MASTER DEED OF CHARLTON SQUARE

LEGAL DESCRIPTION

Being a parcel of land situated in Davidson County, Tennessee, more particularly described as follows:

TRACT I.

Being part of Lots 9 and 10 on the Plan of the Tyler Calhoun's Subdivision of Lot 5 in Waddey's Subdivision of the Baxter Lands, as of record in Book 332, page 103, Register's Office for Davidson County, Tennessee, and described as follows:

Beginning on the East side of 22nd Avenue, South, now known as Convent Place, at the northwest corner of said Lot 9; running thence southwardly with the easterly margin of said Avenue 52 feet 9 inches to a stake; thence eastwardly 217 feet 6 inches to a stake in the west margin of a 30-foot alley or street, said point being 4 feet 7 inches northwardly from the southeast corner of Lot 9; thence with the westerly margin of said alley, northwardly 45 feet 5 inches to the northeast corner of Lot 9; thence westwardly with the dividing line between Lots 8 and 9, on said plan 218.2 feet to a stake.

Being the same property conveyed to McMurtry Meadows, a Tennessee General Partnership, by deed from Henrietta R. Davis Cortes, of record in Book 6307, page 747, Register's Office for Davidson County, Tennessee.

TRACT II.

Being parts of Lots 10 and 11 on the plan of Tyler Calhoun's subdivision of Lot 5 of Waddey's subdivision of the Baxter Lands, as of record in Book 332, page 103, Register's Office for Davidson County, Tennessee, and described as follows:

Beginning at a point on the easterly margin of 22nd Avenue South, 2 feet 9 inches southwardly from the southwest corner of Lot 9 on said plan, running thence eastwardly 79 feet to a point in the original line between Lots 9 and 10; thence continuing eastwardly along the line between said Lots 9 and 10, 138.15 feet to the westerly margin of a 30 foot street or alley; thence along the westerly margin of same southwardly 60 feet to a point; thence westwardly 216 feet to a point in the easterly margin of 22nd Avenue South; thence along same northwardly 57 feet 3 inches to the beginning.

Being the same property conveyed to McMurtry Meadows, a Tennessee General Partnership by deed from Eleanor Graham of record in Book 6298, page 645, Register's Office for Davidson County, Tennessee.

TRACT III.

Being the southerly 40 feet of Lot No. 11 and the northerly 20 feet of Lot No. 12, on the Plan of Tyler Calhoun's Subdivision of Lot No. 5 of Waddey's Subdivision of Baxter lands on Hillsboro Pike, as of record in Book 332, page 103, Register's Office for Davidson County, Tennessee, and described as follows:

Said parts of Lots Nos. 11 and 12 front together 60 feet on the easterly side of Convent Place, formerly 22nd Avenue South, and run back between parallel lines 215 feet, more or less, to an alley or street.

Being the same property conveyed to McMurtry Meadows, a Tennessee General Partnership, be deed from Roy F. Bugbee, Jr., and wife, Margaret P. Bugbee, of record in Book 6298, page 642, Register's Office for Davidson County, Tennessee.

TRACT IV.

A certain unnumbered alley on the Official Street and Alley Acceptance and Maintenance Map for the Metropolitan Government of Nashville and Davidson County, Tennessee, extending between Convent Place and Calhoun Avenue, approximately 275 feet south of Portland Avenue in Nashville, Tennessee.

Being the same property that was abandoned and vacated by the Metropolitan Government of Nashville and Davidson County, Tennessee, by act of the Metropolitan Council of Nashville and Davidson County, Tennessee (Bill Number 84-326), and thereby transferred to the surrounding property owners, the Sisters of Mercy, St. Bernard's Convent, and Gaylor Cole and C. W. Tidwell; and, being the same property conveyed to Gaylor Cole and C. W. Tidwell by Quitclaim Deed from the Sisters of Mercy, St. Bernard's Convent, of record in Book 6326, page 522, Register's Office for said County; and, being the same property conveyed to McMurtry Meadows, a Tennessee General Partnership, by Quitclaim Deed from Gaylor Cole and C. W. Tidwell of record in Book 6464, page 103, Register's Office for said County.

EXHIBIT "B" TO MASTER DEED OF CHARLTON SQUARE

BY-LAWS FOR CHARLTON SQUARE
AND CHARLTON SQUARE HOMEOWNERS ASSOCIATION, INC.

1. Identity.

(a) These are the By-Laws of Charlton Square, herein called the "Condominium", and Charlton Square Homeowners Association, Inc., herein called the "Association", a corporation not for profit, incorporated under the laws of the State of Tennessee, the Charter of which was filed in the Office of the Secretary of State of Tennessee on _____, 1984, and is of record in that Office under Document No. _____, and is also of record in the Office of the Register of Davidson County, Tennessee, in Book ____, Page _____.

(b) The Association has been organized for the purpose of administering the Condominium established by a Master Deed of record in Book 6403, Page 205, Register's Office of Davidson County, Tennessee, herein called the "Master Deed", pursuant to Title 66, Chapter 27, Sections 101 et seq., as amended, Tennessee Code Annotated, herein called the "Act", which Condominium is identified by the name Charlton Square, and is located upon property which was part of the property previously known as 2004, 2006 and 2008 Convent Place, Nashville, Tennessee 37212.

2. Members.

The members of this Association shall be McMurtry Meadows Partnership, hereinafter refered to as "Owner" and all subsequent Unit Owners in Charlton Square.

3. Meetings of Members.

(a) The members of the Association shall have an annual meeting. The first annual meeting of the members shall be held, at the office of the Association or other place to be designated by the Board of Directors, on the first Tuesday in November, 1985, at 7:00 o'clock p.m. or at such other time designated by the Board of Directors. Thereafter, the annual

meeting of members shall be held on the first Tuesday each November at 7:00 p.m. or as scheduled by the Board of Directors.

(b) Special meetings of members shall be held whenever called by the President, Vice-President, or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast not less than one-third (1/3) of the votes of the entire membership.

(c) Notice of all members' meetings, stating the time and place, and the objects for which the meeting is called, shall be given by the President, Vice-President or Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association, and shall be mailed not less than ten (10) days, nor more than sixty (60) days, prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

(d) A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in subparagraph (c) of this Paragraph 3.

(e) The aggregate number of votes for all Unit Owners shall be twenty-two (22) and one (1) vote shall be allocated to each Unit.

(f) If a Unit is owned by one (1) person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to case the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice-President of the corporation and

filed with the Secretary of the Association. Such certificates shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any Unit Owner at any time.

(g) Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

(h) The presence of individual Unit Owners entitled to cast a majority of the votes of the Association is required at members' meetings to adopt decisions, except where approval by a greater number of members is required by the Act, the Master Deed, Charter, or these By-Laws.

(i) The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

(1) election of a chairman of the meeting, if the President is unavailable to preside;

(2) calling of the roll and certifying the proxies;

(3) proof of notice of meeting or waiver of notice;

(4) reading and disposal of any unapproved minutes;

(5) reports of officers;

(6) reports of committees;

(7) election of inspectors of election;

(8) election of Directors;

(9) unfinished business;

(10) new business; and

(11) adjournment.

4. Directors.

(a) The affairs of the Association shall be managed by a Board of Directors. Until the first Tuesday in November,

1985, the initial Board of Directors shall consist of Gaylor Cole, Robert Jones, C.W. Tidwell and James B. Hardy. The Owner may, but shall not be obligated to, appoint an Advisory Board of Directors, consisting of three (3) Unit Owners during the term of the initial Board of Directors. Such Advisory Board shall have no authority to manage the affairs of the Condominium, but may, upon invitation, meet with the Board of Directors from time to time. After the first annual meeting, the Board of Directors shall consist of five (5) persons, all of whom shall be Unit Owners, or, in the event any Unit shall be owned by a partnership, corporation, or fiduciary, such person shall be a partner, officer of the corporation, or the fiduciary or officer of the fiduciary, as the case may be. The initial Board of Directors shall serve without compensation. Thereafter, the compensation, if any, of the Directors shall be as fixed by the vote of a majority of the Unit Owners.

(b) At the first annual meeting of the members of the Association (first Tuesday in November, 1985), five (5) persons shall be elected to serve as the Board of Directors, and the term of office of those elected shall be as follows: the term of office of the two persons receiving the highest number of votes shall be fixed at three (3) years; the term of office of the two persons receiving the next highest number of votes shall be fixed at two (2) years; and the term of office of the person elected receiving the least number of votes shall be fixed at one (1) year. The election shall be by ballot and by a plurality of the votes cast, and each member voting must cast his vote (or votes) for as many nominees as there are vacancies to be filled, but there shall be no cumulative voting.

(c) Except as to vacancies provided by removal of Directors or members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors until the next annual meeting at which time a Director shall be elected to fill the remaining term of any such vacancy.

(d) Any Director may be removed by concurrence of two-thirds (2/3) of the votes of the entire membership at a special or general meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(e) In the event of vacancies during the existence of the initial Board of Directors, the remaining Directors shall fill the vacancies, and, if there are no remaining Directors, the vacancies shall be filled by the Owner.

(f) The term of each Director's service shall be three (3) years except for initial Directors and Directors elected for shorter terms at the first annual meeting. A Director's term of service shall extend until his successor is elected at the annual meeting of the members and thereafter until his successor is qualified and assumes office, or until he is removed in the manner elsewhere provided.

5. Directors' Meetings.

(a) The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary providing a quorum shall be present.

(b) Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

(c) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of any two (2) of the Directors. Notice of the meeting shall be given personally or by mail, telephone, or telegraph at least three (3) days prior to the day named for such meeting, which notice shall state the time, place, and purpose of the meeting.

(d) Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

(e) A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Act, the Master Deed, Charter, or these By-Laws. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

(f) The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

(g) The order of business at Directors' meeting shall be:

(1) calling of roll;

(2) proof of due notice of meeting;

(3) reading and disposal of any unapproved minutes;

(4) reports of officers and committees;

(5) election of officers (if necessary);

(6) unfinished business;

(7) new business; and

(8) adjournment.

(h) The Directors may adopt any resolution by an instrument in writing, signed by all of the then qualified and acting Directors, provided there then be at least three (3) in

number, and any such resolution, when so executed, shall have the force and validity of a resolution adopted at any regular or special meeting.

(i) All minutes and records of actions of the Directors, and all records pertaining to operations of the Association, shall be kept in the Association office or at such place as may be designated by the Secretary of the Association, and shall be available to members for inspection at all times during normal business hours.

6. Powers and duties of the Board of Directors.

(a) All of the powers and duties of the Association existing under the Act, the Master Deed, Charter, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by Unit Owners when such is specifically required. Compensation of employees of the Association shall be fixed by the Directors. A Director may be an employee of the Association, and a contract for management of the condominium may be entered into with a Director. The Board of Directors is specifically charged with the responsibility of providing for the care and upkeep of all Common Elements and Limited Common Elements of the Condominium pursuant to the provisions of the Master Deed. Specifically included in the foregoing general powers of the Board of Directors are the following powers and duties, which are listed by way of enumeration and not by limitation:

(1) To elect and remove the officers of the Association;

(2) To administer the affairs of the Association and the Condominium property;

(3) To engage the services of an agent, hereinafter sometimes called the "Managing Agent", to maintain, repair, replace, administer and operate the Condominium or any part thereof for all the Unit Owners upon such terms and for such compensation and authority as the Board of Directors may approve;

(4) To formulate policies for the administration, management and operation of the Condominium and the Common Elements;

(5) To adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Condominium property and the Common Elements, and to amend such rules and regulations from time to time;

(6) To provide for the maintenance, repair, and replacement of the Common Elements and Limited Common Elements as required by the Master Deed, to make payments thereof, and to approve payment vouchers or to delegate such approval to the officers or Managing Agent;

(7) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium property and the Common Elements, and to delegate any such powers to the Managing Agent (or any employees of the Managing Agent);

(8) To appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board of Directors;

(9) To determine the fiscal year of the Association and to change said fiscal year from time to time as the Board of Directors deem advisable;

(10) To fix the estimated annual budgets, and to provide the manner of assessing and collecting from Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(11) To enter into any lease agreement for lease of premises suitable for use as guest or custodian apartments, upon such terms as the Board of Directors may approve;

(12) To borrow money for the purpose of repair or restoration of Common Elements without the approval of the members of the Association;

(13) To secure insurance policies as required by the Master Deed and in this regard, annually to review the amounts of coverage afforded by such policy or policies;

(14) Unless otherwise provided herein or in the Master Deed, to comply with the instructions of a majority of Unit Owners as expressed in resolutions duly adopted at any annual or special meeting of Unit Owners;

(15) To exercise all other powers and duties of Unit Owners as a group referred to in the Act, the Master Deed or these By-Laws.

(b) Specifically, whenever in these By-Laws or in the Master Deed the Association is given the power to take any action, it is the intention of such instruments that the Board of Directors shall act for the Association in all cases, except to the extent that it is expressly provided that action may be taken upon vote of the Unit Owners.

(c) Nothing in these By-Laws shall be construed to grant to the Board of Directors, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to the Unit Owners.

7. Officers.

(a) The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or the Assistant Secretary. The Board of Directors may from time to time elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. Compensation, if any, of officers shall be fixed by the Board of Directors.

(b) The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate, to assist in the conduct of affairs of the Association.

(c) The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall tend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of treasurer of an association.

8. Indemnification.

(a) To the extent not covered by insurance, the Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, the Board of Directors and the Owner, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members or Owner, on behalf of the Unit

Owners, or arising out of their status as directors, Board, officers, committee members or Owner, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member or Owner may be involved by virtue of such persons being or having been such director, officer, Board, committee member, or Owner, provided, however, that such indemnity shall not be operative with respect to:

(1) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Owner, or

(2) any matter settled or compromised, unless the Board determines there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Owner.

(b) To the extent that the Owner or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraph (a) or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

(c) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case

upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Paragraph 8.

(d) The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Paragraph, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Owner, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, or Owner shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Owner or by the Managing Agent on behalf of the Unit Owners shall provide that the directors , Board, officers, members of such committes, Owner or Managing Agent, as the case may be, are acting only as agents for the Unit Owner and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Paragraph 8 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnify shall continue as to a person or entity who has ceased to be Owner or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successor and assigns of such person or entity.

9. Assessments.

(a) Assessments against the Unit Owners for their shares of the items of the budget shall be made on or before December 20 preceding the year for which the assessments are made. Such assessments shall be paid in twelve (12) equal payments due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment.

(b) Every person who purchases, or otherwise acquires title to, a Unit shall make an advance payment of one-twelfth (1/12) of the then current annual assessment to the Association. Initial purchasers from Owner shall also pay their share of the first year's hazard insurance premium paid by the Association based upon their percentage ownership of the Common Elements. Such payment shall be made at the closing of any such sale.

(c) If a Unit Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the Unit Owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the Unit Owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

(d) In the event that during the course of any year it shall appear to the Board of Directors that the annual assessment, payable monthly, determined as aforesaid, is insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board of Directors shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit

Owner for his proportionate share of such supplemental budget, and such supplemental assessment shall be paid in a time and manner directed by the Board of Directors.

(e) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors. The Directors may contract with a Managing Agent to provide that the Managing Agent shall collect assessments from Unit Owners and other moneys of the Association and disburse Association funds pursuant to the terms of such contract; provided, however, all employees of the Managing Agent handling or responsible for Association funds must be covered by fidelity bonds as set forth below in subparagraph (g). The signatures of two (2) officers of the Association or in the event a Managing Agent is employed, the signatures of at least two employees specified in the contract, shall be required to sign any check in excess of $5,000.00. Three authorized signatures, one of which must be an officer of the Association, shall be required for any checks in excess of $10,000.00. All reserve funds of the Asociation shall be kept in a separate bank account and all checks written on such account shall be signed by at least two (2) officers of the Association and one employee of the Managing Agent. If there is no Managing Agent, the signatures of two officers shall be sufficient.

(f) An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each member not later than one hundred twenty (120) days following the year for which the report is made.

(g) Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least one-fourth (1/4) of the amount of the total annual assessments against members for Common Expenses. The

premiums on such bonds shall be paid by the Association. If a Managing Agent is employed, such Managing Agent may be required to provide satisfactory evidence that all employees handling Association funds are protected by a bond naming the Association as the insured.

(h) The Board of Directors shall cause to be kept detailed and accurate records in chronological order of its receipts and expenditures affecting the Common Elements, specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board of Directors may determine.

(i) The Board shall, upon receipt of ten (10) days written notice to the Association, furnish any Unit Owner a statement of his accounts setting forth the amount of any unpaid assessment or other charges due and owing from such Unit Owner.

10. Rules and Regulations.

The Directors are expressly empowered to adopt and promulgate, from time to time, reasonable rules and regulations governing the use of the Units and the common areas, including the imposition of penalties for violation thereof. All such rules and regulations shall be binding rules and regulations of the Association unless rejected by a resolution adopted at a meeting of the members or by a writing signed by members representing at least sixty percent (60%) of the votes of the Association. The Directors shall give written notice to all members of the adoption of any new rules and regulations or of the amendment of any existing rule or regulation.

11. Amendments.

These By-Laws may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meetings to consider the amendment may express their

approval in writing, providing such approal is delivered to the Secretary at or prior to the meeting. Such approvals must be by sixty-six and two-thirds percent (66-2/3%) of the votes of the entire membership of the Association.

(c) No amendment shall discriminate against any Unit Owner or against any Unit or class or group of Units unless the Unit Owners so affected shall consent. No amendment shall change any Unit, nor the share in the Common Elements appurtenant to it, nor increase the Unit Owner's share of the Common Expenses, nor change the voting rights of members, unless the record owner of the Unit concerned and all record owners of liens thereon shall approve such amendment in writing.

(d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective upon recording in the Register's Office for Davidson County, Tennessee.

12. Parliamentary Rules.

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Master Deed, the Charter or these By-Laws.

13. Definition of Terms.

The terms used in these By-laws, to the extent they are defined therein, shall have the same definition as set forth in the Master Deed. The term "member" as used in these By-Laws, means "Unit Owner" as defined in the Master Deed.

14. Compliance with Statute.

These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of Tennessee, Chapter 27 of Title 66, Tennessee Code Annotated, as it may be amended from time to time. In case any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing By-Laws are hereby adopted as the By-Laws of Charlton Square and Charlton Square Homeowners Association, Inc., by the undersigned as of the 26th day of December, 1984.

McMURTRY MEADOWS, A Tennessee General Partnership

Gaylor E. Cole
GAYLOR E. COLE, Incorporator of CHARLTON SQUARE HOMEOWNERS ASSOCIATION, INC.

BY: _____
C. W. TIDWELL, Partner

BY: _____
JAMES B. HARDY, Partner

BY: Gaylor E. Cole
GAYLOR E. COLE, Partner

BY: _____
ROBERT B. JONES, Partner

EXHIBIT D TO MASTER DEED OF CHARLTON SQUARE TOWNHOMES

PERCENTAGE OF EACH UNIT'S UNDIVIDED
OWNERSHIP INTEREST IN COMMON ELEMENTS

Unit	% of Ownership
2004 Convent Place	4.5455
2006 Convent Place	4.5455
2008 Convent Place	4.5455
2010 Convent Place	4.5455
2012 Convent Place	4.5455
2014 Convent Place	4.5455
2016 Convent Place	4.5455
2018 Convent Place	4.5455
2020 Convent Place	4.5455
2022 Convent Place	4.5455
2024 Convent Place	4.5455
2026 Convent Place	4 5455
2028 Convent Place	4.5455
2030 Convent Place	4.5455
2032 Convent Place	4.5455
2034 Convent Place	4.5455
2036 Convent Place	4.5455
2038 Convent Place	4.5455
2040 Convent Place	4.5455
2042 Convent Place	4.5455
2044 Convent Place	4.5455
2046 Convent Place	4.5455

1:7.3 8:2:1
IDENTIF. REFERENCE
DEC 31 3 24 PM '04
DAVIDSON COUNTY, TN
RECD

EXHIBIT "J"

OWNER'S CERTIFICATE

I (we) hereby certify that I am (we are) the owner (s) of the property shown hereon as evidenced by deed from Margaret P. & Roy F. Bugbee, Jr. as of record in Book 6298, Page 642, Eleanor Graham as of record in Book 6298, Page 645, and Henrietta R. Davis & Miguel Cortes as of record in Book 6307, Page 747, R.O.D.C., Tn., and adopt the plan shown hereon.

Mc Murtry Meadows, a Tennessee Partnership

By: _____ Date: 12-26-84

By: _____ Date: _____

By: _____ Date: _____

By: _____ Date: 12-26-84

SURVEYOR'S CERTIFICATE

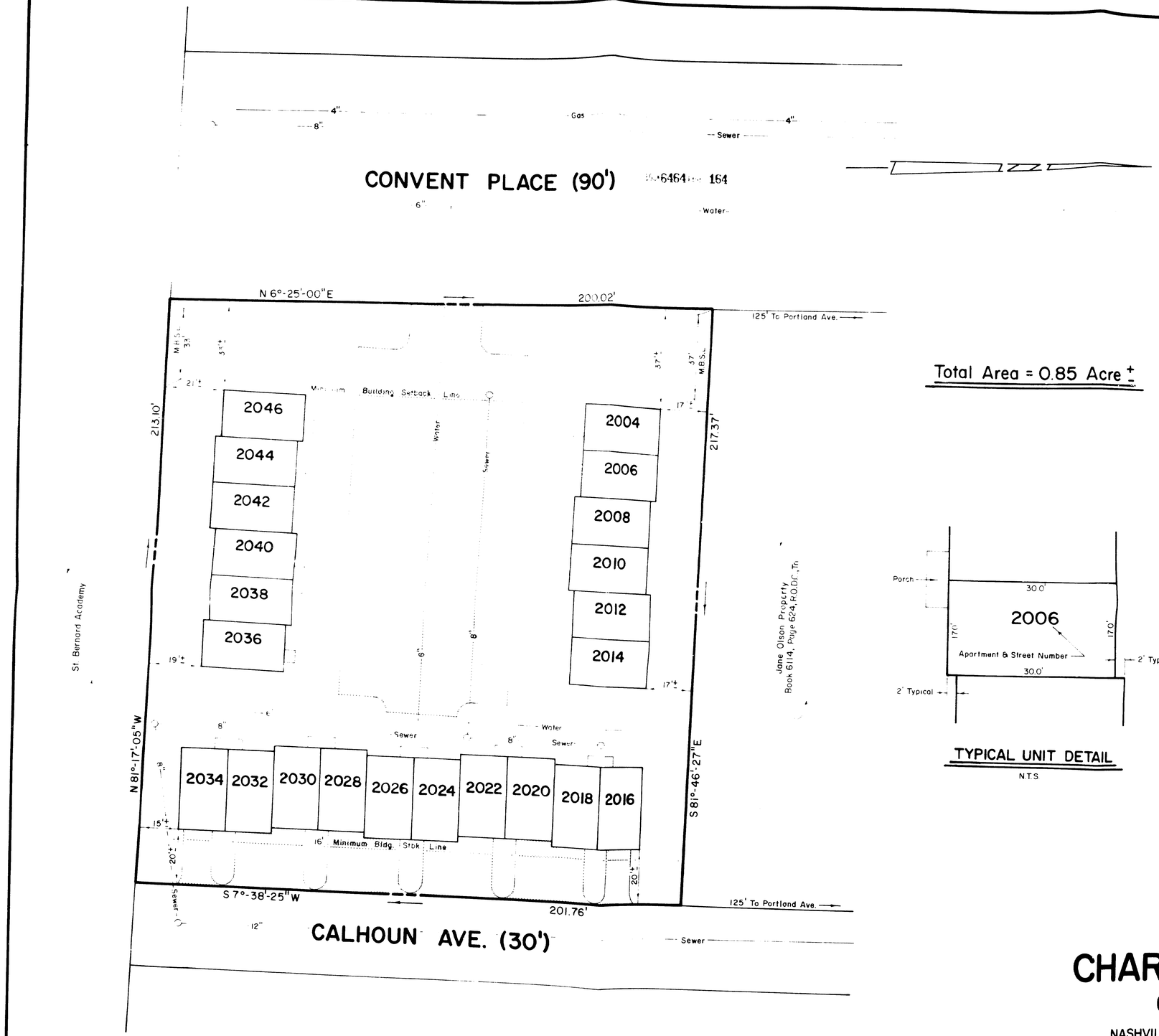
To the best of my knowledge and belief, I certify that this is a plat of part of Lots 9, 10, 11 & 12 on the plan of Tyler Calhoun's Subdivision of Lot 5 in Waddey's Subdivision of the Baxter Lands known as Charlton Square, located in the 1st Civil District of Metropolitan Nashville, Davidson County, Tennessee, situated on the land described in the deeds to Mc Murtry Meadows, a Tennessee Partnership, by deed from Margaret P. & Roy F. Bugbee, Jr. as of record in Book 6298, Page 642, Eleanor Graham as of record in Book 6298, Page 645, and Henrietta R. Davison & Miguel Cortes as of record in Book 6307, Page 747, of the Register's Office of Davidson County, Tn., and that said plat truly represents each Apartment in the building with the Apartment Number, its location in the building and the approximate number of square feet in each Apartment. This plat is filed pursuant to Section 64-2707 of the Tennessee Code Annotated.

Name: _____ Date _____

RECORDED

Recorded _____, Book _____, Page _____, of the Register's Office of Davidson County, Tennessee.

Subdivision No. _____



Total Area = 0.85 Acre ±

TYPICAL UNIT DETAIL

N.T.S.

NOTES

1. Parcel Numbers shown thus (205) pertains to Property Map 104-11
2. This is a Class "A" Survey and the ratio of precision of the unadjusted traverse exceeds 1:10,000
3. Master deed recorded in Book _____, Page _____, R.O.D.C., Tn.
4. Bearings based on previous survey.
5. Alley closed by Bill No. 084-326
6. Drives and parking a asphalt and shown thus: [ ]
7. All Units contain 510 Sq. Ft. (Typical)

CHARLTON SQUARE

CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

20 10 0 20 40

Scale: 1"=20'

Dixie Engineering Associates
4904 Darlington Ct.
Nashville, Tennessee 37211

November 25, 1984

Job No. 84-13